

NEW SOUTH WALES.

BUSINESS STATISTICS - MONTHLY DIGEST.

5th December, 1940.

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MONTHLY DIGEST OF BUSINESS STATISTICS.

DECEMBER, 1940.

GENERAL. Decisions made and in the making will have far-reaching effects upon Australia's war effort, and probably upon long-term economic trends. These include British food and oversea trade policies, a stabilisation policy for the wheat industry, and wartime budgeting (with repercussions from direct and indirect taxation at unprecedented levels). Political difficulties have arisen with regard to the latter which have not yet been resolved.

Industrial activity has accelerated and trade and commerce has been well sustained. In ever-increasing degree human and physical resources are being applied to serve the nation at war. New aspects of public control are the regulation of new building, reservation of certain materials for war industries and the use of customs and excise to divert consumption from unessentials drawn from oversea, and from certain less urgent requirements produced locally.

Copious rains fell during the past week over the coastal belt, the tablelands and considerable areas in inland districts. This does not mean that the drought is broken completely, but the rural outlook is now much brighter.

EMPLOYMENT. Month by month new records in employment are being established. In October, 1940 the number of persons employed in New South Wales (882,200) was 32,100 greater than in Oct., 1939 and 25,700 greater than in June, 1940. Of 40,800 adult males unemployed in May 1940, 10,000 had found employment by Oct., 1940. In view of the large number enlisted in the Forces it is clear that many persons formerly not seeking employment are now at work. Comparative particulars (appended) show that the increase has been most marked in private employment, particularly in factories. Public employment (State, Federal and Local) increased by 7,530 in the year ended October, 1940 but only by 900 between June and Oct., 1940.

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding relief workers and men in the Armed Forces not on Civil Paysheets.)

Middle week of -	All Emp-loy-ment.	All Private Empl'-mt.	In all Fac-tor-ies.	In Firms with Ten or More Employees.						
				Mines	Re-tail trade	Whole-sale Trade.	Offices & Com-merce.	Ship'g & Road Trnspt.	Person-al Ser-vice.ø	Other Indus-tries.
	Number of Persons Employed - Thousands.									
Oct., 1936	770.8	636.9	206.8	18.1	47.9	23.8	26.9	19.7	25.6	15.6
" 1938	837.4	689.0	230.7	19.8	51.2	25.7	27.6	20.3	29.0	22.3
" 1939	850.0	700.4	232.6	21.3	51.6	25.9	28.3	21.6	29.7	21.9
Sept., 1940	875.7	719.8	246.2	21.1	51.4	25.9	29.8	21.9	29.8	21.0
Oct., "	882.2	725.0	249.6	21.3	51.6	25.8	30.1	21.3	30.8	19.8
Increase-Oct. '39 to 1940	3.8%	3.5%	7.3%	-0.4%	6.4%	- 1.4%	3.7%	- 9.6%

Minus sign (-) denotes decrease.

ø Includes hospitals, religion, amusements, hotels, etc.

MANUFACTURING. The outstanding wartime development is a great expansion of secondary industries. Between Oct., 1939 and 1940 there was an increase of 17,000 employees (8,300 in March-Oct.) in factories. Arms and munitions production, aircraft construction and shipbuilding have all increased greatly; the output of iron and steel is greater than ever before; and factories with ten or more employees making or using industrial metals have added 9,050 persons to staff in the last twelve months. More new plant will come into production shortly and still further war factories are to be built. Local factories (some newly established) are producing some essential materials and civilian goods now unobtainable from overseas. To reduce industrial stoppages to a minimum and to facilitate solution of problems of labour supply a Commonwealth Dept. of Labour has been established and special arbitration machinery is being created. The

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influence of war production on factory employment (now in total 38 per cent. above the highest pre-depression year) may be noted in the following comparisons:-

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Cement, Bricks Glass &c.	Chemicals, etc.	Industrial metals.	Textiles & Clothing.	Food and Drink.	Wood-work, ing, &c.	Paper & Print-ing.	Rub-ber.
	Number of Persons Employed - Thousands.							
October, 1935	7.95	5.52	45.93	33.08	23.49	8.52	11.37	2.73
" 1939	11.79	7.88	64.21	38.38	29.21	10.10	14.78	3.66
Sept., 1940	12.39	8.94	71.54	40.82	29.14	10.09	14.42	3.64
October "	12.40	8.56	73.26	41.43	30.04	9.99	14.44	3.59
Increase - Oct., 1939 to 1940	5.2%	8.6%	14.1%	7.9%	2.8%	- 1.1%	- 2.3%	- 1.9%

Other evidences of the high level of industrial activity are increases in:-

Sales from 42 large factories in the nine months ended September from £28.2 m. in 1938 and £28.3 m. in 1939 to £31.1 m. in 1940;

Consumption of Gas and Electricity in Sydney, Index numbers of which rose for October from 121 in 1938 and 135 in 1939 to 137 in 1940; and

An increase of 9 per cent. in the quantity of coal moved by rail in N.S.W. in the five months ended Oct., 1940 in comparison with the corresponding period of 1939.

TRANSPORT. State transport undertakings have benefited by unusually active conditions of industry, and of travelling occasioned by war preparations. Particulars for Sept. Qr. appeared in the November review. It is known that as regards the railways, results in October were in line with those of other recent months.

New motor vehicle sales increased slightly in each month August to October 1940 but remained nearly 60 per cent. below the number of a year before. The progressive decline in total registrations during the war period was checked in October when there were 11,653 fewer cars and 2,586 fewer lorries and vans than on August 31, 1939 but road transport efficiency is unlikely to suffer. Petrol rationing (begun on Oct. 1) does not appear to have caused much change in the number of motor vehicles in use.

				1937.	1938.	1939.	1940.
New Motor	Cars	Av.No. per	Oct.	421	343	314	128
Vehicle Sales.	Lorries & Vans.	week	"	221	177	145	64
Motor Vehicles	Cars	000	At Oct.31	194	208	216	205
on Register.	Lorries & Vans	000	"	74	75	77	75
	All vehicles	000	"	295	317	328	313

TRADE AND COMMERCE. The high level of industrial activity and employment and heavy public expenditure and substantial export receipts (which they reflect) provided a favourable background to business in general. Bank clearings in Sydney in the ten months ended October, 1940 were 13 per cent. greater than in Jan.-Oct., 1939. Returns relating to wholesale and retail trade indicate stability, with increases in the money value of sales little more than sufficient to offset the rise in prices of the war period; consumers generally have been buying normally. Under budget proposals for 1940-41 however, the Sales Tax is widened in incidence and the rate of tax increased from 8¹/₃% to 10% for general items and to 15% for goods of the "less necessary" class. Certain goods brought into the taxable field bear a rate of 5%. Customs and excise duties on beer, spirits, tobacco and cigarette papers, have been increased. These increases in indirect taxation and heavy increases in income taxation may affect domestic trade, curtailing consumption of non-essentials but contrary influences are the increasing number of

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income-earners and the upward trend of average earnings. This latter factor is reflected in a record rate of increase in small savings; the increase in savings bank deposits and in purchases of War Savings Certificates has averaged over £1 million a month since July, 1940.

Real estate business showed some gain recently and sales in the four months ended October were slightly greater in 1940 than in 1939.

	Bank Clearings (Sydney)		Wholesale Trade (N.S.W.)	Retail Trade (Sydney)	Real Estate (N.S.W.)		Savings Banks (N.S.W.)
	Amount.	Index No.	Sales	Sales	Sales.	Mortgages.	Increase in Deposits.
	Jan.-Oct.	Aug.-Oct.	Jan.-Sept.	Sept. Qr.	Jan.-Oct.		July-Oct.
	£m.	1926-30 = 100	£m.	Index No. 1931 = 100	£m.	£m.	£m.
1937	772.1	101	140.84	146	30.29	19.14	1.01
1938	771.6	101	143.35	153	31.95	22.07	.76
1939	753.5	100	145.22	157	27.71	19.39	(-) .86
1940	880.2	113	149.13	169	26.15	14.14	2.47

OVERSEA TRADE.

Particulars of overseas trade of separate States are not now published, but for the Commonwealth as a whole the returns (to October) show maintenance of a high level of exports and a tendency for imports to moderate, notwithstanding imports of war goods and materials for war industries. In a recent statement the Minister for Customs explained that the tariff was being used with the objects of reducing consumption (to conserve non-sterling exchange and divert income to war purposes) and to check demand for goods and materials likely to be in short supply.

INVESTMENT. War expenditure; provision by the Commonwealth Bank of advances to wheat growers; wool payments, and active conditions of trade and industry have placed money in plentiful supply. Avenues for its employment are restricted by import and investment control, now supplemented by control of building projects of a value exceeding £5,000.

Partly for these causes, and partly due to increasing confidence in the Empire's war effort, ordinary shares on the Sydney Stock Exchange rose about 23 per cent. in value in the four months ended October. There was a slight recession in the last three weeks of November, but values have been firming again in the last few days. The bond market also strengthened and in the middle of November the average net redemption yield on Government securities of five or more years maturity (£3.3s.9d. per cent.) was the lowest on record. Bond yields are about 17s.6d. per cent. below the average in Sept., 1939 and almost 4s. per cent. below those permitted by fixed minimum prices. The slightly downward trend of rates of interest on private first mortgages appears to be continuing.

		Sept. 1939	Jan. 1940	July 1940	Sept. 1940	Oct. 1940
Sydney Stock Exchange Ordinary Share Values	Index No. Par = 100	171	182	151	162	168 ^x
Government Securities (over 5 years)	Yield % p.a.	£4.06	£3.75	£3.36	£3.30	£3.27
Rural First Mortgages	Wtd. rate of interest	5.2	5.5	5.1	5.0	5.0
Urban " "		5.5	5.8	5.6	5.6	5.5

[∅] Per cent. per annum - three months ended in month shown.

^x Index number for November, 1940 - 173.

PUBLIC FINANCE

One-fourth of the Commonwealth £28 million loan opened on Nov. 28, 1940 was subscribed on that day. Issued at par, the loan is for 5 years at $2\frac{3}{4}$ per cent. or 10-16 years at $3\frac{1}{4}$ per cent. and is due to close on Dec. 14.

/The Commonwealth.....

The Commonwealth 1940-41 budget, introduced on Nov. 21 brought political reactions which render its passage uncertain. It proposed a total revenue of £150 million including £65 m. for war services which, in all, were expected to total £186 m. Taxation was to increase from £90 m. in 1939-40 to £126.3 m. in 1940-41 and combined Federal and State taxes would absorb 20 per cent. of the national income. The amount proposed to be raised by public borrowing was £80 m.

New South Wales Government finances for the four months ended October showed an improvement of £2.34 m. in 1940 compared with 1939, about one-half of which was attributable to the striking increase in working surplus of the railways. The State Unemployment tax is being reduced, remissions ranging from 28½ per cent. in the lowest income groups (about £3 a week) to 10 per cent. on wages or incomes of £6 and more a week; to amount in all to £1 million a year. The accounts compare as under:-

New South Wales Government		Four months ended October.				
		1936.	1937.	1938.	1939.	1940.
Revenue	£ million	15.17	15.77	15.86	15.82	18.96
Expenditure	"	16.54	17.42	18.63	19.85	20.65

BUILDING INDUSTRY.

In the metropolis building permits in each of the months July to October were lower in value than in the corresponding month of the preceding year. Totals in October were £1,205,000 in 1939 and £833,000 in 1940. Regulations under the National Security Act provide that after Dec. 5 1940 no building or building alteration exceeding £5,000 in value may be undertaken without approval of the Commonwealth Treasurer. The object is to curtail investment in non-essential and expensive buildings and to conserve material (steel, copper, etc.) needed for war industries. It was stated, however "that any curtailment of building will be gradual and adjusted to employment demands."

Particulars of building permits covering areas including 73 per cent. of the population of the State show a declining trend, very marked in the city, substantial in rural and industrial towns (due largely to diminished housebuilding) and moderate in the suburbs of Sydney and adjacent shires where housebuilding has remained active. There has been a falling off in the provision of shop premises etc. and industrial building has decreased, but the value for that class of building is still considerable.

VALUE OF BUILDING PERMITS GRANTED - NEW SOUTH WALES. (As far as recorded. Excludes Government Buildings.)

Period.	City of Sydney.	Suburbs of Sydney.	129 Rural & Industrial Towns.	7 Shires near Sydney.	Total of Foregoing.
	£000	£000	£000	£000	£000
Jan.-Sept. 1938	2,555	8,313	4,095	783	15,746
" 1939	1,445	8,171	3,359	821	13,796
" 1940	911	7,236	2,842	860	11,849
Sept. Qr., 1939	589	2,942	1,067	296	4,894
June " 1940	262	2,717	1,015	304	4,298
Sept. " "	424	2,420	905	291	4,040

War preparations necessitated a large amount of public building, largely offsetting the decrease in private building. Combined figures were:-

		1939: Sept. Qr.	Dec. Qr.	1940: Mar. Qr.	June Qr.	Sept. Qr.
Private	£000	4,894	3,786	3,511	4,299	4,040
Public	£000	656	409	675	849	1,454
Total	£000	5,550	4,195	4,186	5,148	5,494

£ Exclusive of rural areas containing about 750,000 persons for which no building returns are made.

BUILDING SOCIETIES.

A few new co-operative terminating building societies have been formed recently but in general inability to secure finance has greatly restrained development, as the following table shows:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES, N.S.W.

	Increase or Decrease (-) during -					As at Sept. 30, 1940.
	Jan.-July, 1939.	July-Dec., 1939.	Mar.Qr., 1940.	June Qr., 1940.	Sept.Qr., 1940.	
Members No.	986	466	109	131	- 209	19,284
Shares 000	21.2	10.4	2.0	2.9	- 1.4	252.3
Advances £000	1899	1724	611	518	461	10,739

Approximately 80 per cent. of all members have had loans approved, and advances actually made represent 95.4 per cent. of the amount passed for payment.

The influence of societies on housebuilding activity has diminished greatly.

RURAL INDUSTRIES. After many months of abnormally low rainfall coastal and some inland areas were drenched in the opening days of December with copious rain. Over much of the pastoral country the drought is as yet unbroken; natural pastures and water are scarce and some loss of stock has occurred. Dairying conditions should now improve rapidly, and a large export surplus of butter, etc. should soon be produced.

No benefit can accrue to wheat as a result of the recent rain. The harvest is now expected to be about 28 million bushels or less than half the average 1931-40 (60 m.b.). The industry, however, will have assistance from an amount (in N.S.W.) of £750,000 provided for advances at a very low rate of interest. A third advance of 3d. a bus. on 1939-40 wheat announced on 27th Nov. brings growers' returns for silo wheat to about 2s.8d. a bus. at country sidings.

The adoption by a conference of State and Commonwealth Governments of a stabilisation plan for wheat is of paramount importance since it brings certainty into this distressed industry. The essential features are:-

Payment of a guaranteed price (3s.10d. a bus., f.o.b. for bagged wheat, less costs farm to shipboard) for a maximum marketed crop of 140 m. bus. (approx. an average crop); an equalisation fund (to which growers will contribute one half of actual realisations above the guaranteed price) to meet debits in years of low prices; the licensing of wheatgrowers (to exclude new entrants into the industry) who will be restricted to sowing of specified acreages (related to the "maximum" crop), market all wheat grain through the Wheat Board, and out for hay such wheat acreage as may be directed. (This latter provision will operate in prolific seasons and form the basis of a national fodder conservation scheme).

Wool appraisements are proceeding rapidly. It is now believed that this season's clip will not show as great a decrease compared with last year's record as was at first expected (5 to 10 per cent.). A greater number of sheep shorn and a smaller proportion of lambs in the flocks may partly offset the lighter weight per fleece.

II. THE WORLD WHEAT SITUATION.

World wheat production in 1940-41 may be 300 m.b. smaller than in 1939-40 and European crops were deficient, but the war (and the blockade) prevents arrest of deterioration in the statistical situation. The Axis Powers have little prospect of drawing wheat from nearby neutrals.

The storage problem is acute. Wheat-growing may be curtailed in principal exporting countries. A wheat stabilisation scheme has been adopted for Australia.

Northern Hemisphere 1941 wheat prospects are mostly favourable. The international movement of wheat has been halved. Prices are firm but are wholly artificial. The local market brightened a little in Nov., but shipping difficulties still retard wheat exports.

PRODUCTION Lacking official estimates for a number of important European countries, 1940-41. authorities have been obliged to use unofficial forecasts and approximations in estimating European wheat production in 1940. The resultant totals are nevertheless very similar:-

Broomhall	(End Oct.)	Europe (ex U.S.S.R.)	1,402 m. bus.
Int'nl. Institute of			
Agriculture	(Mid Oct.)	"	1,425 "
U.S. Dept. Agric.	"	"	1,375 "

Comparative particulars of world wheat production in each of the last four seasons are shown below. Figures for 1940-41 are as issued by the United States Dept. of Agriculture in September, revised to take into account amended estimates since reported. Decreased production in Europe is a feature; in all European countries except the British Isles harvests were below average. There has been also a return of North American production to the pre-depression high level.

WORLD WHEAT PRODUCTION 1937-38 to 1940-41.

COUNTRY.	1937-38	1938-39	1939-40	1940-41
	millions	of	bushels	
North America	1,067	1,034	1,259	1,352
Europe - Danube Basin	361	466	453	295
" - ex " "	1,178	1,393	1,263	1,060
Total Europe	1,539	1,859	1,716	1,355
North Africa	119	121	151	118
Asia	678	741	738	750
Argentina, Australia and South Africa	382	509	345	336
World Total (ex China and U.S.S.R.) Ø	3,852	4,605	4,270	3,975

Ø Including estimates for certain countries for which reports are not available.

Argentine crops show good progress under favourable conditions and private forecasts are now around 240m. bus. compared with 200 m. bus. a month ago. Nothing can now alter the yield in Australia, estimated at only 84m. bus., or about one-half average production. By States tentative forecasts are:-

N.S.W., 28 m.b.; Vic. 13 m.b.; S.Aust. 19 m.b.; W.Aust. 19 m.b.; and Q'land. 4.5 m.b.. Much of the new crop wheat in N.S.W. is of good quality, despite the very adverse season.

DISTRIBUTION In other circumstances a reduction of nearly 300 million bushels in OF SUPPLIES. world harvest would be a material factor in the outlook for disposal of accumulated exportable surpluses. But with nearly all Europe blockaded world wheat supplies are resolved into two distinct supply spheres. The Axis Powers (which themselves had short crops in 1940) can draw for wheat only /upon.....

upon European sources, including perhaps, Russia. As it happens, the Danubian countries this year had a surplus of only about 35 m. bus. instead of the usual exportable surplus of about 150 m. bus. Russia had a better harvest than in either 1938 or 1939 but began the wheat year with empty granaries. Some Russian exports have been reported. In certain quarters an increase of 15 per cent. in October in the prices of black and grey bread in Moscow and Leningrad is taken as indicating that substantial exports are unlikely. In a normal year imports of wheat into countries now dominated by Germany and Italy total about 240 million bushels.

Outside Europe the picture is one of overflowing granaries. Canada's carry-over of 301 m. bus. on July 31, 1939 may be increased to about 550 m. bus. at the end of this season. Beside its "normal" carry-over of 250 m. bus. the United States has 180 m. bus. available for export in 1940-41. Argentina, because of the very small crop of 1939-40, had exportable stocks of only 23 m. bus. on July 31, 1939 but from the harvest of this summer, is likely to have from 100 to 120 m. bus. for disposal abroad. Though Australia's 1940-41 crop failed, the carry-over from 1939-40 and the small new crop surplus may make upwards of 70 m. bus. available for sale. For these big producing countries marketing and storage are acute problems. As shown in B.S. No. 1940/11A world end-of-season exportable stocks of wheat have mounted from 192 m.b. in 1938 to 790 m.b. in 1940 and will exceed 1,000 m.b. in 1941.

STORAGE. Because of lack of storage space, initial deliveries this season in Canada were limited to 5 bus. per acre. Late in November it was announced that the Canadian Government would, before July 31, 1941, take delivery of the whole of 1940 crop. More storage space is being constructed and deliveries are to be increased to 10 bus. an acre for the present. In the United States the situation in this respect is not strained - partly because "the ever normal granary" plan provides for heavy storage, and partly because the loan policy covers storage on the farm. Only incidence of a very small harvest has prevented the Australian storage position becoming unmanageable by ordinary methods; even the one bountiful harvest of 1939-40 necessitated provision of emergency bulkheads, and stacks. Argentina is least well equipped of all the big wheat growers for holding grain stocks. Though no old season's wheat remains to aggravate the problem in 1940-41, there is a big accumulation (7 million metric tons) of maize - Argentina was the main supplier of feeding stuffs for Western Europe's live stock and dairying industries - for which no outlet can be found.

NATIONAL WHEAT POLICIES. Governments in all these major wheat exporting countries have been deeply concerned at the worsening of prospects for the wheat industry. All have recognised that to go on producing surpluses to add to already burdensome wheat stocks can only mean disaster for the farmers. The United States is, of course, regulating wheat growing under the Agricultural Adjustment Act. Its yearly acreage allotment (this year the same as last year) aims to stabilise production allowing a relatively small safety margin for export. It is reported that a plan to achieve stabilised wheat prices has been formulated in Argentina, but so far the only information is that there is to be a guaranteed price of 6.75 pesos a quintal - a little below current quotations. The Argentine Government is said to be seeking to borrow \$100 m. in the U.S.A. to finance purchases of agricultural products from Argentine farmers.

Drastic curtailment in wheat acreage may be enforced in Canada; private reports say possibly from 28 million acres (for 1940) to 13 million acres. That some such measure is contemplated is implicit in the official statement that "plans for 1941 will be decided with the knowledge that only from 140 to 175 million bushels can find export markets during the year ended July, 1942." An outline of the Australian stabilisation scheme, to operate from the 1941-42 harvest, is given at page 5 of this issue.

DROUGHT RELIEF (Aust.) The Commonwealth Government has provided £2,770,000 from loan for drought relief in Australia (£750,000 in New South Wales) to be distributed to distressed farmers in the form of advances for seed wheat, fertilisers, living expenses and other ordinary farm requirements. In New South Wales the advances will be made through the Rural Industries Agency of the Rural Bank. The States will be required to repay the advances in seven years in four annual payments beginning with the fourth year. The Commonwealth will bear the whole of the interest for the first year and half of the interest for the remaining six years. Farmers receiving advances will be charged no interest for the first twelve months, and not more than $1\frac{3}{4}$ per cent. interest thereafter, and be required to repay advances in four equal annual payments in the fourth to the seventh years.

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SEASON 1941-42. United States winter wheat was sown under the most favourable conditions for several years, and good rains were reported last week. Canadian fallows are also in good condition. Dry weather has hampered sowing in India. Germany is endeavouring to increase the wheat acreage throughout the occupied territory. Generally Europe has experienced normal weather for winter wheat sowings. In the United Kingdom about $2\frac{1}{2}$ m. acres are expected to be sown with wheat. This is 50 per cent. above the pre-war acreage.

WORLD TRADE During the past month world shipments of wheat, as reported by trade sources, averaged nearly 6 million bushels a week - about half the pre-war average. The United Kingdom is the one remaining big importer open to world trade. Spain, Portugal and Greece were also buying wheat. In the Orient occurrence of large harvests in Japan and Manchukuo and a slight increase in wheat production in China may reduce requirements. Some wheat and flour purchases have been reported but the price of wheat is high enough to affect disposal prospects in the East. The U.S. export subsidy on wheat shipped to Far Eastern destinations has been withdrawn. Several South American countries, including Peru and Brazil, have compelled the use of appreciable proportions of flour from native cereals in the making of bread, with the object of reducing imports of wheat.

AUSTRALIAN WHEAT POOLS. Of 195 million bushels delivered to the Wheat Board in 1939-40, sales effected up to Nov. 23, 1940 were $154\frac{1}{4}$ m. bus.. Limitations of shipping space for wheat retards the export movement and the Chairman of the Board stated that "assuming that mills would continue to use old season's wheat until the end of March, ships had still to be provided for 41 m. bus. for export." Payment of a third advance of 3d. a bus. has been approved. This makes the return at country sidings for bulk wheat equivalent to about 2s. 8d. (net) a bushel.

Deliveries of new crop (No. 4 pool) wheat are now being made. It has been decided to make an initial advance to growers in this pool of 3s. a bus. less freight at ports on bagged wheat with an appropriate adjustment for bulk wheat.

The Board's overdraft, which had been reduced by receipts to about £13 million will be increased by upwards of £3 m. by the third advance on the No. 2 pool and by another £10 m. to provide the initial advance on No. 4 pool.

PRICES. Because of the limited amount of free wheat available to markets (so much being sealed under the Loan programme) prices in Chicago have remained very firm in recent weeks at nearly 90 cents a bushel for December options. This is about the same as a year ago and fully 20 per cent. above average quotations in August last. In Winnipeg quotations continued very slightly above the fixed minima. Parcels on the London Baltic Exchange underwent little change during November, 1940. The course of prices on this Exchange was as follows:-

(End of Month)	<u>Nov.,</u> <u>1939</u>	<u>Jan.,</u> <u>1940</u>	<u>Aug.,</u> <u>1940</u>	<u>Sept.,</u> <u>1940</u>	<u>Oct.,</u> <u>1940</u>	<u>Nov.,</u> <u>1940</u>
	Per quarter (8 bushels).					
Western Australian	20/-	26/-	26/9	26/9	25/6	25/6
No. 1 Manitoba	27/-	29/3	32/3	32/9	32/9	33/3
Rosafe (Argentine)	20/9	25/4 $\frac{1}{2}$	N.Q.	20/6	19/-	19/6

These prices, however, bear no relation to the value of wheat under normal market conditions. They are in actual fact merely a reflection of those prices at which the British Ministry of Supply has obtained its requirements. There is no substantial market upon which weak sellers might unload, and thus, while surplus supplies are immense, they are virtually frozen and for the time being cease to be a material price factor.

LOCAL TRADE The local wheat market was a little more active at times during November than in recent months, as millers were buying wheat to grist for export flour, for which some orders were booked. The Australian Wheat Board's price for silo wheat for local flour and small export orders was unchanged at 3s. 11 $\frac{1}{4}$ d. a bus., f.o.r. Sydney. Bagged wheat in No. 2 pool (1939-40) was reduced from 4s. 2 $\frac{1}{4}$ d. a bus. to 4s. 0 $\frac{3}{4}$ d. a bus. as from Nov. 7 to allow for depreciation in the value of bags. The price of flour sold locally was increased by 3s. a ton to £12.13s. a ton as from Nov. 14, compensating for an increase of 6s. a ton in the rate of the /flour.....

flour tax made on Oct. 22, 1940. This was the first change in the price of flour since Feb. 29, 1940.

In November, 1940 the average price of bulk wheat in Sydney (3s. 11¹/₄d.) was approximately 40 per cent. higher than in November, 1939. Only in 1936 and 1937 was a higher price recorded in November during the last ten years.

Prices compare as under:-

PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex trucks, Sydney ø

Excluding bounty and including storage charges when payable.

	Season ended Nov.	Dec.	Aug.	Sept.	Oct.	Nov.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1933-34	2 9	2 7	3 3	3 0	2 8	2 6
1936-37	5 3	5 4	5 3 ¹ / ₂	5 3	5 3 ¹ / ₂	4 7
1937-38	4 0	4 6	3 2 ¹ / ₂	2 10 ¹ / ₂	2 9 ¹ / ₂	2 7
1938-39	2 5	2 6	2 3	2 9	2 8	2 9 ¹ / ₂
1939-40	-	3 5	3 11 ¹ / ₄	3 11 ¹ / ₄	3 11 ¹ / ₄	3 11 ¹ / ₄

ø Shippers offers, ex trucks, Sydney; Australian Wheat Board's price for wheat for local flour and small export orders from December, 1939.